

GUIDANCE FOR DEPARTMENT CHAIRS TO HELP WITH THE DISCUSSION OF CONFLICT OF INTEREST FORMS WITH FACULTY MEMBERS

Note: Ensure that all eligible faculty and academic staff have completed the forms, including retired or emeritus faculty who actively participate in departmental activities, and all postdoctoral fellows and research associates. This form should outline the basis for an annual discussion between you and your department members on potential conflicts of interest.

It is anticipated and indeed encouraged that some Cornell faculty members will be involved in activities external to the University that yield beneficial products and services for society at large, and for which there is financial remuneration. Beyond financial rewards to the faculty member and possibly the University, such activities may enhance the professional stature of the faculty member and the prestige of the University in direct and indirect ways.

The key to sensible and effective resolution of potential conflicts of interest and commitment is the annual discussion of each faculty member with his or her department chair/section head about ongoing or anticipated activities that could potentially lead to conflict situations. The annual disclosure form completed by all academic personnel attempts to identify the sorts of activities that can, in some circumstances, lead to conflicts that need to be resolved. You are likely to be asked how to decide whether or not to disclose a particular activity that is not clearly inside or outside of the guidelines. The easy answer is: "When in doubt, disclose." There is no penalty for disclosure, and disclosure does not imply that the activity is wrong or even undesirable.

It is not possible to make an all-inclusive check list of what does or does not constitute a problem needing resolution. Below are a list of issues and general principles, organized according to the sections in Part II of the annual disclosure form, that will hopefully guide the department chair or section head in deciding whether specific activities are permissible or not. The University Committee on Conflicts and its co-chairs, the Vice Provost for Research and the Dean of the University Faculty, would be more than happy to discuss any specific issue or advise you if you would find it useful. In the end, you must use your best judgment in interpreting the general principles embodied in the University Conflicts Policy. The Conflicts Policy and other guidance documents are available on the Office of Research Integrity and Assurance website: <http://www.oria.cornell.edu/coi/>.

This document is offered by the University Committee on Conflicts in conjunction with the University's Conflicts Policy, as informal guidance to department chairs and section heads to guide annual discussions with faculty members regarding potential conflicts of interest. It does not replace, supplement or modify the express terms of the Conflicts Policy or any other University policy.

The University Committee on Conflicts has the following suggestions in contemplating issues surrounding the questions in Part II of the Annual Disclosure Statement:

1. Outside sources of compensation including consulting and honoraria for lectures, seminars, and study panels: According to the 2002 Faculty Handbook on page 78, the general rule is that in the endowed colleges and the ILR School, a faculty member cannot engage in any compensated activities to a greater extent than one day per week (i.e. seven days). In the Colleges of Agriculture and Life Sciences, Human Ecology, and Veterinary Medicine, the restriction is two days per month. The

limitation is on time, not on how much money is earned, and includes self-employment in addition to external compensation.

There are further limitations on consulting: "Full time faculty members must inform their department chairpersons of all plans to do private consulting for which they are compensated. [A faculty member] may engage in private consulting work, provided such work, in the judgment of the department chairperson . . . enhances the value of the individual to the University. . . ." (2002 Faculty Handbook, p. 78).

The logic behind these restrictions is that consulting is not viewed primarily as an opportunity for additional compensation; it is viewed rather as an opportunity for professional development, and it is the responsibility of the department chair/section head to see that it fits into this framework. Given our tradition of academic freedom, the chair/section head generally exercises this oversight with discretion and latitude. However, consulting activities that in the opinion of the chair/section head result solely in a diversion of effort without compensating professional development, should not be approved. The respondent should provide some description of such activities in Part II of the form to allow the chair/section head to evaluate whether they are appropriate. No description is requested for lectures, seminars, and study panels at universities and other non-profit organizations because the assumption is that all such activities "enhance the value of the individual to the University", and no further judgment is required.

2. External managerial responsibilities: The concern here is that external managerial responsibilities, even if they conform to the above consulting guidelines, may be so demanding that they are inconsistent with a faculty member's primary obligation to carry out his or her teaching, research, and outreach responsibilities. Managerial responsibilities may entail periodic crises requiring the full attention of the manager despite the demands of lectures or exams. Each situation is different and it is the responsibility of the chair/section head to make sure that these managerial obligations are consistent with a faculty member's primary and full commitment to the University.

Note: In questions 3, 4 and 5 below, misconceptions by others may in fact be the biggest risk with respect to the reputation of a faculty member or student, and careful oversight and general awareness of such oversight is likely to be an effective preventative measure.

3. An equity interest in any business related to your professional activities at Cornell held by you or your family, whose value may have been influenced by the exercise of your professional duties at Cornell: Several areas of potential abuse are as follows:

- a) Presenting material in research publications or conference presentations in your capacity as a Cornell faculty member that may be construed as being of an advertising nature describing the benefits of a product, software, or service from such a business. It is especially important to disclose any financial or other substantive connection to any business referenced.
- b) Providing services to Cornell by such a business at inflated market value or artificially creating a need for such services in the course of directing sponsored research at Cornell.
- c) A particular area of concern is where the thesis research of a graduate student or the student's financial support as a research assistant is somehow connected to the business through sponsored research or the services the business provides. Students in such situations may feel pressure from the faculty member to conduct their research in a manner that compromises the objectivity of the research. Moreover, without the knowledge of the faculty member, the

student may bias the conduct or outcome of the research in an attempt to please the faculty member and gain favor with respect to future endeavors such as employment or letters of recommendation.

d) A faculty member may assign research projects that are directed more by the needs of the company rather than the education of the student.

e) A particularly complicated problem is raised when the company in which the faculty member (or his or her family) has an interest, is funding research of the faculty member's student.

4. A policy position held and/or receipt of more than \$500 by you or any member of your family, from any for profit business (excluding your consulting income) whose activities relate to your professional activities at Cornell: The issues here are similar to those enumerated above in Section 3, especially 3e. It is of particular importance if the company provides money for research in your laboratory. This stricture is not meant to apply to grants or gifts from corporations in which you hold a small interest as a stockholder.

5. Use or employment for activities external to Cornell (in either paid or unpaid capacity) by you or any member of your family of the services of Cornell students or staff over whom you exercise supervisory or academic responsibility in your role at the University: Unlike some peer institutions, Cornell does not prohibit such activities. In most cases such activities can be beneficial to students, but one needs to be aware of potential pitfalls, and such employment should not be routine or long term unless provisions are made to protect the interests of the student and Cornell. The issues and possible solutions described above in connection with Issue 3 are similar to those here. In addition, students may feel pressure or themselves encourage involvement to the detriment of their degree studies and thesis research. Proper oversight is likely to provide a viable solution.

6. Use of Cornell facilities, equipment or staff services to support consulting at a for-profit business or some other commercial activity: This relates to the use of Cornell offices, staff, equipment or laboratories for commercial purposes. Here a "reasonableness" standard should be applied for "minor and infrequent" use of Cornell facilities. Note that this policy excludes the use of office equipment, supplies, and other services for which the member reimburses Cornell, and for infrequent secretarial support. If there is a perception of misuse, or if there is activity which might be construed as going beyond "minor and infrequent use", these issues should be subject to discussion between the chair/section head and the faculty member.

7. A financial interest by you or any member of your family in any contract, sale, or other transaction -- that you are aware of -- to which Cornell was a party and whose outcome you had any perceived ability to influence: Examples would be the sale of a company in which both the faculty member and Cornell have an equity interest, and contracts committing Cornell to obligations related to his or her business activities or if the faculty member sells goods or services to Cornell by the company in which he/she has an interest. The Trustee policy states: "A member may not directly or indirectly lease, rent, trade or sell real or personal property to the University without full disclosure of the relevant facts."

8. Any other situations, not listed above, that may create an actual or perceived conflict of interest between your role at Cornell and an outside interest: Conflict of interest can often be complicated. This section is a catchall for anything else that may be of concern. For example, have

you assigned rights to your Cornell owned research findings to an outside party without Cornell's approval? Another example would be the disclosure for personal profit of unpublished information coming from Cornell research of other confidential Cornell sources, unless authorized by Cornell.

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